



Cha-Ching Classroom Activity I Make Money Too

Overview: In this activity, students explore the concept of investing through stocks. They begin by brainstorming a list of companies and brands whose goods and services they or their families use or recognize. After watching the video, [I Make Money Too](#), students explore investing as a strategy for saving over the long-term and why people choose to invest in specific companies. They consider the saying, “Buy Low, Sell High,” and interpret a graph of a company’s stock to determine if an investor lost or made money. Finally, the students work in small groups to identify several companies in which they might invest and explain their reasoning to classmates.

Target Audience: Grades 3–6

Activity Duration: One to two 45–60 minute class sessions

Essential Questions

- How do you make money by owning part of a company?
- What does it mean to diversify your investments?
- What research can you do to find out if a company will be a good investment?

Objectives

Students will:

- Identify familiar brands and/or companies
- Explain how people make and lose money by investing in stocks
- Describe the importance of diversifying when investing

Activity Vocabulary:

- Company
- Competition
- Demand
- Diversify
- Goods
- Investing
- Long-term
- Research
- Risky
- Services
- Share
- Stable
- Stock



Materials

- Video: [I Make Money Too](#)
- Handout: *Brands We Know* (one copy per student)
- Handout: *aComputer Stock Prices* (one copy per student)
- Optional Handout: *I Make Money Too Lyrics*

Optional Materials

- Chart paper
- Tape
- Markers, pens, or pencils to write on chart paper

Other Cha-Ching Episodes Related to Saving and Investing

- [Earn, Save, Spend, Donate](#)
- [Saving for Success](#)
- [When You Get Money](#)
- [Entrepreneur](#)
- [Sweet Pepper Designs](#)

Procedure

1. Inform students that they are going to brainstorm a list of companies familiar to them. Encourage students to include their favorite companies and products. Explain that companies are responsible for producing things or offering services people use. Provide several examples to help students understand the concept (e.g., Coke, Diet Coke, and Sprite are all brand names. They are produced by the Coca-Cola Company). Share that sometimes it's not easy to identify the company that made the product, and that's okay. For example, they may like a certain kind of skateboard, but not know what company manufactures and sells it. For now, they should focus on the brands they know and like.
2. Distribute a copy of *Brands We Know* to each student. Challenge students to work in pairs to identify at least two brands in each category. Let them know that once they name two in each, they can work to name more. Invite students to share the brands they named and list them on the board or on chart paper.

Note: An alternate approach to this activity is to hang pieces of chart paper around the room with one of the categories written on each piece (e.g., food and drink on one, clothing and shoes on another, etc.). Direct students to add brands to each list as they think of them. Encourage students to name as many different brands as they can and not to duplicate ones that are already listed.



3. Ask students if they know who owns the companies that produce each of these items or services. If time allows, have students conduct research to see if they can identify the companies!
4. Show the video [I Make Money Too](#).
5. After the video, ask students who owns the companies that are described in the video (aComputers, ElectriCity, and BCT). Explain that when a company needs money to expand or grow, they sell shares of stock to people, called investors. The investors each own a portion—or share—of the company.
6. Explain that Justin is an investor who does a lot of research about a business before investing in it. Point out that Justin told the band that he invested in BatCat Toys and owns a piece of the company. Lead a class discussion using the questions below:
 - Why did Justin invest his money in BatCat Toys? (Answer: He saw that many kids wanted to buy the toy.) Was that a good idea or a bad one? Why?
 - What kinds of research did Justin do before investing?
 - What caused the price of aComputer stock to fall for several years? (Answer: A competitor was selling similar computers for a lower price) Was that good or bad? Why?
 - Why did aComputer's stock price rise again? (Answer: It made a new product that was popular.)
7. Let students know that most investors try to buy shares of stock in a company when the price is low and sell when the price goes up. The difference is how much money they earn (or lose if the stock price falls). Write the phrase, "Buy low. Sell high." on the board as a reminder.
8. Distribute a copy of *aComputer Stock Prices* to each student. As a whole class or in small groups, discuss each investment scenario and determine if the investor would have made or lost money on the investment. (Answers: make, lose, make, make) Direct students to complete the sentence and discuss the answer. (Answer: A, G)
9. Remind students that the video encourages them to research companies before buying any stock. Challenge students to consider what information they might want to know about a company before investing. If needed, provide the following prompts to aid discussion:
 - What would you want to know about the stock's price?
 - How would you know if the company provides a good or service that people want or need?
 - What would you look for in a company if you hope the stock price will increase?
10. Rewatch the portion of the video that discusses diversification (0:58 to 1:08). Ask students what they think it means to diversify when investing. Explain that when investors buy stock in different companies they reduce their risk of a loss. One company's stock might do poorly, but hopefully another will do better. Sometimes companies diversify by offering more than one kind of product or service. If one part of the business is doing poorly, other parts may be doing well, providing some assurance to investors that their investments will continue to pay off.
11. Direct students' attention back to their list of brands in different categories. Let students know that if they invested in different categories this would help them diversify their money.



12. Invite students to work in pairs or small groups to select three brands—each from a different category—in which they might want to invest. Challenge students to explain to the rest of the class why these brands or companies are ones they think would make a good investment. Ask students if there are any they think would be a poor investment choice. If so, what makes them think so?
13. To close the activity, remind students that investing is for the long-term. Stocks go up and down over time and that is okay! Investors should be prepared to allow the price of a company's stock to increase over time before selling. Encourage students to do more research on brands and companies they like. Let students know that many investors believe in the idea that people should "buy what they know"—meaning they should only invest in companies whose products or services they use and understand and companies who have a plan for the future.

Optional Extension

Challenge students to research specific brands and companies. Begin by having students identify the parent company, if needed. For example, if they want to invest in Sprite, they would need to buy stock in the Coca-Cola Company (KO). Direct students to look up the company's stock price using an online search engine such as Google. Teach students that a search with the company name and the phrase stock price will usually result in the company's stock information. If there is no information, the company may not sell stock. These are called private companies and are often owned by the founders of the company and/or a family. Encourage the students to locate and track the stock prices for several companies over a period of time. Invite students to notice and describe what happens to the stock's price of this period.

National Standards

National Standards in Financial Literacy from the Council for Economic Education

5. Financial Investing

Financial investment is the purchase of financial assets to increase income or wealth in the future. Investors must choose among investments that have different risks and expected rates of return. Investments with higher expected rates of return tend to have greater risk. Diversification of investment among a number of choices can lower investment risk.

- 5.BM.4.1 After people have saved some of their income, they must decide how to invest their savings so that it can grow over time.
- 5.BM.4.2 A financial investment is the purchase of a financial asset such as a stock with the expectation of an increase in the value of the asset and/or increase in future income.
- 5.BM.8.1 Financial assets include a wide variety of financial instruments including bank deposits, stocks, bonds, and mutual funds. Real estate and commodities are also often viewed as financial assets.
- 5.BM.8.3 When people buy corporate stock, they are purchasing ownership shares in a business. If the business is profitable, they will expect to receive income in the form of dividends and/or from the increase in the stock's value. The increase in the value of an asset (like a stock) is called a capital gain. If the business is not profitable, investors could lose the money they have invested.



I Make Money Too

Lyrics

The BatCat's awesome. I invested in the company that makes that.
Wow, what does that mean?
Well, you know you can grow your money by putting it in the bank, yeah? But there's also another way.
Is there?

Yes. It's called investing and here's how it works:
Was hanging in the park, minding my own business, kid on the slide,
He was out to impress, his toy was fresh, better than the rest.
So, I made it my business to find out more about the BatCat's popularity around the world.
Went to the factory, discovered the true story. They were bursting at the seams
Only two toy makers not enough machines.
Every kid wants one, so he did the sums.

I invest, I invest my money and in return I own part of the company.
If the BatCat makes some money I make money, money too.
Here's a tip in case I'm wrong, it's important to diversify in a range of companies
To strike a balance with your money.

There's a well known firm with big success. Althos computers are loved by me and my friends.
For my investment advice I researched their share price.
They had a big success from '03 to '06. From there the price of shares took a bit of a dip.
Their competitor made cheaper computers.
They bounced back in 2008 cause Althos lite release sold at a super fast rate.
They have grand things planned. I believe they'll be in high demand.

I invest, I invest my money and in return I own part of the company.
If the Althos makes some money I make money, money too.
Here's a tip, do your research first, learn about what you're investing in.
Some are risky, others more stable.
If they make, you make money too.

Electricity is used night and day. Everybody needs it and it's here to stay.
One company found powering up this town. The share price is steady and it slowly rises.
It may not grow fast but there's no surprises. A lesson here's learned, he's in it for the long term.
Electricity's future looks very bright, a long term plan for the city lights.
Electricity comes from the sea is up next for this company.

Invest, I invest my money and in return I own part of the company.
If Electricity makes money I make money, money too.
Remember tips to save your money, investing is for the long term.
Do your research and diversify. If they make, you can make money too.
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Brands We Know

Directions: Identify at least two brands or companies in each category.

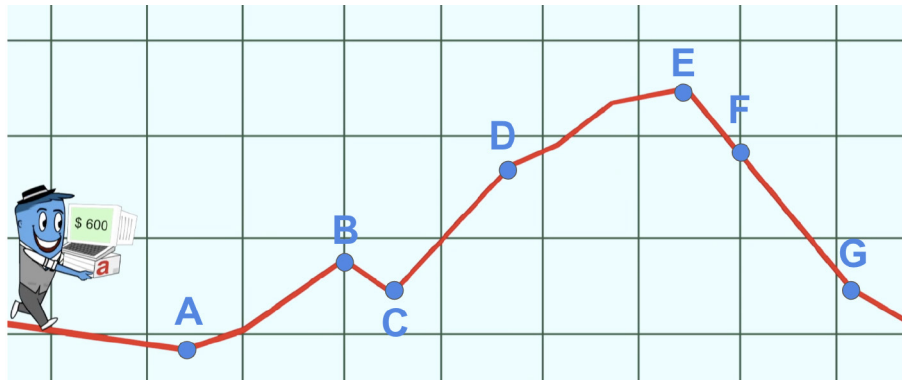
Food or Drinks	Clothing or Shoes
Toys	Electronics
Stores	Other



Money Smart Kids!

Discovery
EDUCATION

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Computer Stock Prices

Look at the graph above and decide if the investor made or lost money in each situation.

Point When the Investor Bought the Stock	Point When the Investor Sold the Stock	Did the Investor Make or Lose Money?
A	B	
B	C	
D	F	
A	G	

Complete the sentence below.